

Chapter 63. Regulation 17— Reinstatement of Policies

§6301. Policy Directive Number Four to Non-Profit Funeral Associations

A. All insurance policies which were written before December 31, 1956 are subject to the following paragraph contained in R.S. 22:336:

"A policyholder in good health and not over 70 years of age who has permitted his policy to lapse may rejoin upon terms fixed in the by-laws of the association and signing a statement in regard to his health as in the original application. Policyholders whose policies have lapsed and who are over 70 and under 90 years of age may reinstate only in the old age group".

B. Therefore, if a policyholder who was issued an assessment plan policy allows his policy to lapse, he may reinstate it upon *the terms fixed in the by-laws of the association, or according to the provisions of his policy, but only if* he or she is under 70 years of age when reinstatement is applied for. If a policyholder is over 70 years of age, he may be reinstated only in the old age group.

C. All policies issued on the industrial plan, after December 31, 1956, are subject to the provisions of R.S. 22:259 (6), which reads as follows:

"A provision that the policy may be reinstated at any time within one year from the due date of the premium in default unless the cash surrender value has been paid, or the extension period expired, upon the production of evidence of insurability including good health satisfactory to the insurer and the payment of all overdue premiums and any unpaid loans or advances made by the insurer against the policy with interest at a rate not exceeding six percent payable annually."

D. Thus, if the policy in question is one issued after December 31, 1956, it may be reinstated upon the terms of the above paragraph (6), or the terms of the insurance contract, if such contract contains more favorable language.

E. Any reinstatement of an insurance contract which is not accomplished according to the portions of the Insurance Code quoted above, is a violation of law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:336 and 22:259 (6).

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, December 3, 1958.